

MINUTES
Crested Butte Town Council
Regular Council Meeting
May 7, 2012
Council Chambers, Crested Butte Town Hall

Mayor Aaron Huckstep called the meeting to order at 7:10 p.m. Councilmembers present: Glenn Michel, Roland Mason, David Owen, Jim Schmidt, Shaun Matusiewicz and John Wirsing. Staff Present: Town Manager Susan Parker, Town Clerk Eileen Hughes, Town Attorney John Belkin, Building and Zoning Director Bob Gillie (for part of the meeting), Finance Director Lois Rozman (for part of the meeting), Public Works Director Rodney Due (for part of the meeting) and Town Planner John Hess (for part of the meeting).

APPROVAL OF AGENDA

Owen moved and Matusiewicz seconded to approve the agenda. A roll call vote was taken with all present voting "Yes." **Motion passed unanimously.** (Wirsing temporarily absent from Council Chambers).

CONSENT AGENDA

- A) Approval of Minutes of April 16, 2012 Council Meeting.
- B) Special Event Permit – Paragon Gallery – Paragon People's Fair –September 1 & 2, 2012 – Elk Avenue.

Matusiewicz moved and Mason seconded to approve the Consent Agenda. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

PUBLIC COMMENTS

Kim Carroll Bosler of the Crested Butte Music Festival said she plans to make a request at the May 21, 2012 Council meeting for financial assistance for the Boston Brass Band concert, which will be held on July 4, 2012. Bosler said it's a free concert and the Boston Brass Band is a renowned brass band.

Council member John Wirsing announced that longtime Crested Butte resident Paul Gallaher recently passed away. Council noted that Gallaher was a great photographer and musician who loved Crested Butte.

STAFF UPDATES

Mayor Huckstep noted that Council received an email staff update from Parks and Recreation Director Jake Jones.

Bob Gillie:

- The Depot roof renovation project has been put out to the bid and the award is scheduled for the May 21, 2012 Council meeting.
- He is working with the Gunnison Valley Foundation on the outdoor freestanding Clock, which will be placed on the northwest corner of 6th Street and Elk Avenue.
- The Sixth Street Station project was recently approved by the Board of Zoning and

Architectural Review (BOZAR). There were quite a few conditions placed on the approval, some of the conditions are fairly standard, while others are more substantial.

- Town Clean-Up will be held on Saturday May 12, 2012 and he hopes all the Council will participate.
- Council asked about the status of the Sea Level Spa's signage request. Council directed Gillie to refer the matter to BOZAR.

Lois Rozman:

- Noted the sales tax report in the Council packet and March revenues were not as bad as anticipated. First quarter financials will be included in the next Council packet

Rodney Due:

- Reported on the status of the current street paving project. Council asked if money in the Town's Street and Alley fund must be spent on a certain timeline or if the funds can be saved. Rozman said funds are built up in cash reserves and there is no timeline on when the funds must be spent. Due said the Town has a street re-paving schedule. Parker noted that the Town has a five year street plan and a ten year street plan.
- Several crosswalks near the community school will be replaced this spring.

Eileen Hughes:

- Staff administratively approved a special event permit for the Chamber of Commerce Memorial Day Weekend Sidewalk Sale.
- Noted she placed "cheat sheets" on the Council table explaining how to convert MS Word e-mail attachments to PDF to save in I-Annotate.
- Reminded Council to back up their i-Pads to the "Cloud" on a regular basis so documents can be restored, if there are problems with their i-Pads.

Susan Parker:

- Will attend a "TBD" meeting in Montrose on May 9, 2012. The meeting is part of the Governor's "Bottom Up" economic plan.
- She is finalizing a lease with the Gunnison County Library District.
- The Franchise Agreement with Gunnison County Electric Association will be ready for Council consideration soon.
- Recently met with representatives of the Crested Butte Center for the Arts.
- Received a notice from Waste Management that the solar trash compactors will be delivered on May 8, 2012.

PUBLIC HEARINGS

A) Special Event Permit – Crested Butte Society, Inc – Crested Butte Arts Festival – August 3 through 5, 2012 – Elk Avenue, 3rd Street, 5th Street & Various Bridges.

Mayor Huckstep confirmed with Town Clerk Eileen Hughes that proper public notice of the public hearing was given. Hughes said proof of insurance for the event has been provided.

Mayor Huckstep opened the public hearing. There were no public comments. Mayor Huckstep closed the public hearing.

Crested Butte Arts Festival representative, Diana Ralston, responded to a few questions from Council and noted that artist booths will be in a single row on the two busiest blocks on Elk Avenue. Ralston said the single row is an attempt to appease people who have been the most vocal about artist tents blocking views of their businesses. Ralston said the Festival received many comments from people who liked the bigger spaces last year. Council indicated it had no problems or concerns with the festival and told Ralston they appreciated her flexibility.

Matusiewicz moved and Wirsing seconded to approve the Crested Butte Society's application for the Crested Butte Arts Festival August 3-5, 2012. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

B) Ordinance No. 5, Series 2012 - An Ordinance Amending The Town's Sign Regulations Contained In Chapter 16, Article 18 Of The Crested Butte Municipal Code To Allow For The Placement Of Off-Site Signage In The B-1, B-3 And B-4 Business Zone Districts Where Certain Conditions Are Met.

Mayor Huckstep read the title of the ordinance. Mayor Huckstep pointed out Building and Zoning Director Bob Gillie's memo noting that BOZAR recommended approval of the ordinance with one change that the white background referenced in Section 1 (23) (h) be deleted.

Mayor Huckstep confirmed with the Town Clerk that proper public notice of the public hearing was given. Council asked if the BOZAR's recommendation about removing the requirement for a white background on off-site signs was a strong recommendation. Design Review Coordinator Molly Minneman replied that BOZAR felt strongly about its recommendation because the sign will count as one of the business's two allowable signs.

Mayor Huckstep opened the public hearing. There were no public comments. Mayor Huckstep closed the public hearing.

One councilmember said he had doubts the ordinance will operate "smoothly" and another council member said he did not support the recommendation to remove the requirement for a white background on off-site signs.

Matusiewicz moved and Michel seconded to approve Ordinance No. 5, Series 2012 with an amendment to Section 1 (23) (h) to eliminate the following words: "shall contain a white background and." A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

NEW BUSINESS

A) Approval of Bid for Water Tank Storage Project.

A memo from Public Works Director Rodney Due was included in the Council packet. There was no Council discussion.

Owen moved and Matusiewicz seconded that the Town of Crested Butte accept and award the bid for the 2012 Water Tank project to Lacy Construction Company, Ltd in an amount not to exceed \$692,668.04. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

Following the motion, Council asked if the Town would keep the existing water storage tank. Due responded that the existing tank will be kept and an additional tank will be built.

B) Discussion of July 4th Fireworks.

Mayor Huckstep noted that the Town conducted a survey about fireworks and people's thoughts about the Town paying for fireworks in town. Huckstep said the survey response was about 50-50 in support or opposed. Huckstep said the Council needs to decide if it wants to fund a fireworks display this year and asked if anyone on the Council felt strongly that the town should have fireworks.

Council expressed several opinions on the topic. One councilmember said if businesses want the fireworks they should fund them, another councilmember said the fireworks definitely help the businesses in town.

Council agreed it did not want to fund fireworks this year, but if (due to fire concerns) the fireworks cannot be set off in Mt. Crested Butte the Town is willing to speak with Mt. Crested Butte about launching the fireworks in town.

Council also discussed the possibility of initiating an event on the 4th of July in the future, such as a community event or an aerial show. One councilmember said he liked the concept of "honoring the partnership" with Mt. Crested Butte and alternating years with Mt. Crested Butte for the fireworks.

C) USA Pro-Challenge Report and Request for Funding.

Mayor Huckstep said he is associated with Elk Mountain Events (the Local Organizing Committee (LOC) for the USA Pro Challenge Cycling Event). Huckstep left the Council Chambers and Mayor Pro-tem Jim Schmidt took over as Chair of the meeting.

Local Organizing Committee (LOC) members Karl Trujillo and Erica Reiter said the Committee is requesting \$25,000 from the Town this year. They said it's an increase from \$18,000 the Town donated last year. Trujillo said the increase is the result of changes in event costs, proposed improvements and an anticipated decline in donations for the event.

Trujillo and Reiter highlighted event revenues and expenses as outlined in a memo to Council from Elk Mountain Events. Trujillo and Reiter also responded to several questions from Council regarding the event's budget. Trujillo noted that the LOC is required to provide more rooms for the event this year and the LOC is also required to share beer garden revenues with USA Pro Challenge. Reiter noted that the LOC has developed a website, which will be helpful for visitors. Trujillo explained that the event will be similar to last year with a jumbotron in town, as well as a

hand cycling event and a townie criterium. Trujillo also mentioned that the post-race festival and beer garden in Mt. Crested Butte will have longer hours this year. Council expressed support for the event and said it's good exposure for the town.

Wirsing moved and Owen seconded to approve \$25,000 from the General Fund reserves for Elk Mountain Events to support the USA Pro-Challenge Cycling Event. A roll call vote was taken with all present voting "Yes." **Motion passed unanimously.**

Mayor Huckstep returned to the Council Chambers and resumed as Chair of the meeting.

OLD BUSINESS

A) Ordinance 19, Series 2011- An Ordinance Amending And Replacing The Town's Resident-Occupied Affordable Housing Requirements Contained In Chapter 16, Article 21 Of The Crested Butte Municipal Code And Amending The Resident-Occupied Affordable Housing Payments-In-Lieu Contained In Appendix A To The Code.

Mayor Huckstep read the title of the ordinance and noted the staff report from Town Planner John Hess. Mayor Huckstep also noted that several proposed revisions have been made to the ordinance since the last time it was before the Council.

Hess explained that his staff report focuses on costs for payment-in-lieu of resident-occupied affordable housing (ROAH). Hess reviewed four options for the Council to consider, as outlined in his staff report. Hess pointed out that staff is recommending option #2, which contains the lowest payment-in-lieu of ROAH that staff recommends for consideration.

Mayor Huckstep asked Council to weigh-in with their thoughts on the various options presented by Hess. Council discussed the topic at length and expressed various opinions on the options presented.

One councilmember said he does not support increasing the required down payment used in the formulas from 5 percent to 10 percent, but does support waiving the administrative fee as proposed in option #2.

Another councilmember expressed strong reservations about payment-in-lieu fees above \$10 per square foot, especially under the current economic conditions. He said option #2 is still too high and added that he has heard of people moving out of town because they can't get a job, but not because they can't find a place to live.

Another councilmember said the Town has the right to demand mitigation for commercial development. He said developers have not built affordable housing because it was much cheaper and easier to just pay the former required fee of \$2.00 per square foot. He said he wants developers to build the required affordable housing instead of paying the fees and stressed that the Town has to look to the future. He said a developer can build affordable housing and then sell it.

Another councilmember said land is a finite resource in Crested Butte and he wants local workers such as teachers and police to live in town. He said a payment-in-lieu fee of \$29 per

square foot is his "bottom line" and noted that the developers of the Sixth Street Station project have said they could live with a payment-in-lieu fee of \$29 per square foot. Another councilmember said he also prefers to see units built rather than payments-in-lieu. He added that he does not think a 10 percent down payment is too high and if people can't afford the down payment they should look at rental options. He said he supports option #2, as presented. One councilmember pointed out that the Council needs to move beyond opinions and discuss reaching a consensus on the issue. He suggested option #2 with a five percent down payment.

Another councilmember said it's really tough to impose a high fee and pointed out that the Council has received quite a few e-mails from people who do not support high fees. He said he can support a \$10 per square ft. fee, but cannot support \$22 plus fees. Another councilmember said he has not received comments from anyone in support of high fees and pondered if some of the fairly recent commercial development in town such as, the Brick Oven Pizza would have been built if they had to pay high affordable housing payment-in-lieu fees. He said he's been bombarded by people saying they don't support high fees. Another councilmember said the comments he's heard have been the opposite, which are in support of high fees.

Mayor Huckstep said the Council has to move forward on the topic and bring the matter to a vote. He said the Town has continued to spend money for attorney's costs and staff time.

A councilmember said all the options presented in Hess's memo are preferable to the current high fees approved under Ordinance No. 7, Series 2011. Mayor Huckstep pointed out that it will take a majority vote to repeal Ordinance 7.

Crested Butte resident Margot Levy, Chair of the Town's Affordable Housing Committee, said the committee concluded that the Town needs an effective affordable housing program that will move the Town forward. Levy said the payment-in-lieu fee is not meant to be the "go-to" option, but is meant to pay for fractions of affordable housing units and the preference is for the developer to build the units.

Council continued to debate the issue and strive for an option that could get enough votes to pass. A councilmember, who earlier in the meeting said he could not support high fees, said he would vote for option #1 or option #2 to move on with the issue because the current fees as approved by Ordinance No. 7 are much too high. Four other councilmembers said they could support option #1 with a waiver for administrative costs.

Hess then reviewed several questions (numbered 1-6) posed to the Council in the narrative under option #2 in his staff report. Council agreed that items 1-5 should remain in Ordinance No. 19, but developers of non-residential and lodging properties may only choose either item 1 or item 2, but not both items.

Council then reviewed several other proposed revisions to Ordinance No. 19 and gave staff direction on revisions to include or delete. Council discussed at length a proposed revision on page 17 of Ordinance No. 19 regarding a Subordination Agreement. Town Attorney John Belkin said the proposed revision should be stricken. One councilmember argued strongly in support of retaining the proposed revision, which gives the Town, "at its discretion, an option to purchase a

deed-restricted ROAH unit in lieu of foreclosure." Council debated whether or not to delete the proposed language and the majority of the Council agreed with the Town Attorney to strike the language.

Owen moved and Matusiewicz seconded to set Ordinance No. 19, Series 2012 for public hearing on June 4, 2012 with revisions as discussed.

B) Ordinance No. 6, Series 2012- An Ordinance Adopting The Guidelines, Rules And Requirements Governing Resident-Occupied Affordable Housing In The Town Of Crested Butte.

Mayor Huckstep read the title of the ordinance. Staff and Council reviewed several proposed revisions to the Guidelines, Rules and Requirements Governing Resident-Occupied Affordable Housing in the Town of Crested Butte, which are attached to Ordinance No. 6, Series 2012. Hess noted that he needs to make sure that the Guidelines are consistent with Ordinance No. 19, Series 2011 as well as Resolution No. 5, Series 2011 pertaining to Administrative Guidelines.

At the top of page 25 of the Guidelines regarding "Default of Deed of Trust", Council agreed to amend the interest rate to prime plus 10 percent rather than 18 percent as proposed.

Owen moved and Michel seconded to set Ordinance No. 6, Series 2012 for public hearing on June 4, 2012 with revisions as discussed.

C) Resolution No. 5, Series 2012- A Resolution Adopting The Crested Butte Resident-Occupied Affordable Housing Administrative Procedures Addressing The Implementing Of Chapter 16, Article 21 Of The Crested Butte Municipal Code.

Mayor Huckstep read the title of the Resolution. Hess noted that he will make changes to Resolution No. 5, Series 2012 based on the revisions discussed by Council regarding Ordinance 19 Series 2011 and Ordinance No. 6, Series 2012.

Schmidt moved and Owen seconded to continue Resolution No. 5, Series 2012 to June 4, 2012. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

Council took a five minute break.

LEGAL MATTERS None

COUNCIL REPORTS AND COMMITTEE UPDATES

Glenn Michel:

- The Office for Resource Efficiency (ORE) is looking for a new executive director.

Shaun Matusiewicz:

- He will attend the next Tourism Association Meeting in place of Councilmember John Wirsing.

John Wirsing:

- The Chamber of Commerce hired a new executive director.

Jim Schmidt:

- An extension to the Lupine Trail will be constructed on June 2, 2012, which is Trails Day.

Aaron Huckstep:

- Attended a recent Mayors and Managers meeting. The main topic of discussion was the Gunnison hospital's need to restructure. The hospital is carrying 10 percent bad debts.
- Plans to attend a drought management meeting in Gunnison on May 8, 2012.
- He recently met with the Jenny Bernie, the Executive Director of the Center for the Arts.
- Plans for the USA Pro Challenge Cycling event are moving forward
- He received friendly correspondence from local school kids about environmental topics.

EXECUTIVE SESSION

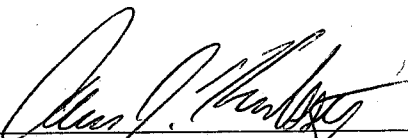
For A Conference With The Town Attorney For The Purpose Of Receiving Legal Advice On Specific Legal Questions Under C.R.S. Section 24-6-402(4) (b).

Schmidt moved and Matuszewicz seconded to go into executive session for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4) (b).

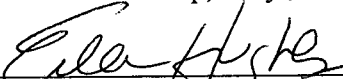
A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

Council took a short break then went into executive session at 11 p.m. Council returned from executive session at 12 a.m. Mayor Huckstep made the required announcement upon returning to the open meeting. No action was taken.

Mayor Huckstep adjourned the meeting at 12 a.m.



Aaron J. Huckstep, Mayor



Eileen Hughes, Town Clerk

(SEAL)

